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**UNITED STATES BANKRUPTCY COURT**  
**EASTERN DISTRICT OF CALIFORNIA, FRESNO DIVISION**

In re:

TULARE LOCAL HEALTHCARE  
 DISTRICT dba TULARE  
 REGIONAL MEDICAL CENTER,

Debtor.

Case No.: 17-13797-9-B

Chapter 9

DC No.: WW-1

**HCCA'S OPPOSITION TO  
 APPLICATION TO SHORTEN TIME  
 ON CONTRACT REJECTION  
 MOTION**

Healthcare Conglomerate Associates, LLC ("HCCA") opposes the Debtor's application for an order shortening time, which seeks a hearing on approximately 48 hours' notice on a motion to reject an executory contract ("Motion"), the decision on which will in many ways determine the course of this brand new chapter 9 case. HCCA, the nondebtor party to the executory contract that is the subject of the Motion, requests that the Court (i) set a hearing on

1 Thursday, October 19, at 1:30 p.m.<sup>1</sup>; (ii) require that HCCA's opposition pleadings be filed and  
2 electronically served no later than noon PST on Tuesday, October 17; and (iii) require that any  
3 reply pleadings be filed and electronically served no later than 4:00 p.m. PST on Wednesday,  
4 October 18, 2017. In the interim, HCCA will continue to perform under the terms of the  
5 executory contract, so long as the Debtor provides the funding required by the executory  
6 contract.

7 This opposition to the OST application does not address the merits of the Motion; the  
8 pleadings that HCCA submits that it should have a reasonable amount of time to prepare will  
9 do so. HCCA submits, however, that rejection of the relevant agreement is no open and shut  
10 matter, and that it will present compelling opposition, given time to adequately brief and  
11 support it with admissible evidence.

12 Chapter 9 enables an insolvent municipality restructure its debts. It does not create  
13 revenue. Yet the "emergency" bankruptcy authorization resolution that the District's board of  
14 directors (attached to the chapter 9 petition) was passed during a meeting conducted on six  
15 hours' notice and was grounded in the fact that the District's hospital was out of cash. There  
16 were no pending foreclosures and no creditors were threatening to exercise self-help.  
17 Nevertheless, this case was filed on a Saturday, fewer than 24 hours after the board meeting.  
18 Not surprisingly, the hospital remains unable to pay its operating costs. So what has the  
19 bankruptcy produced during its 10-day history? Not a pleading that attempts to establish, let  
20 alone a pleading supported by any evidence, that would enable the Court to determine whether  
21 the District is eligible for chapter 9 relief (as required by Bankruptcy Code §§ 109(c) and  
22 921(c)). Due to the publication requirements of Bankruptcy Code § 923, this Court will be  
23 unable to conduct a hearing on HCCA's objection to the District's eligibility pleadings –  
24 assuming that they will be filed someday – until December, if then. The only pleadings the  
25 Debtor has filed were the ones today, and they seek a determination in fewer than 48 hours  
26

27 <sup>1</sup> The 1:30 p.m. hearing time was chosen because the Court has a chapter 13 calendar and this matter can be heard  
28 at the conclusion of that calendar. Plus, Marc Levinson, the lead bankruptcy counsel from HCCA who will argue  
the Motion, practices in Sacramento, and an afternoon hearing means that HCCA need not incur hotel expense or  
he need not leave before dawn in order to make a morning hearing.

1 about the fate of the executory contract that dictates how the hospital is to be operated and  
2 funded. HCCA submits that the Motion, like the so-called chapter 9 emergency filing, should  
3 be heard on shortened but reasonable notice, permitting HCCA to prepare the type of response  
4 that such an important motion requires.

5 HCCA therefore requests that the Court (i) set a hearing on Thursday, October 19, at  
6 1:30 p.m.; (ii) require that HCCA's opposition pleadings be filed and electronically served no  
7 later than noon PST on Tuesday, October 17; and (iii) require that any reply pleadings be filed  
8 and electronically served no later than 4:00 p.m. PST on Wednesday, October 18, 2017.

9 Respectfully submitted.

10  
11 Date: October 10, 2017

ORRICK, HERRINGTON & SUTCLIFFE LLP; and  
KLEIN, DENATALE, GOLDNER,  
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14 BY:

  
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